

**Nebraska Community Development Assistance Act  
Credit Computation**  
For use with the Forms noted below.

FORM CDN  
**2025**

Name on Return

Social Security Number or Nebraska ID Number

Type of Nebraska Return   ☐ 1040N   ☐ 1041N   ☐ 1065N   ☐ 1120N   ☐ 1120NF   ☐ 1120-SN

Is the taxpayer a foreign adversarial company (FAC) or claiming credits from a business that is, or is owned in whole or part, by an FAC?   ☐ Yes   ☐ No   (See instructions)  
**Do not include credits received from an FAC.**

**Part A — Computation of the Credit**

1	Community Development Assistance Act (CDAA) credit approved this year (see instructions) .....	1		
2	Unused credit carried over from 2020 through 2024 (list years .....).	2		
3	Total of your share of distributed credits from line 18 below .....	3		
4	Total CDAA credit (total of lines 1, 2, and 3).....	4		
5	Nebraska tax liability. Enter line 17, Form 1040N; line 11, Form 1041N; line 11, Form 1120N; or line 11, Form 1120NF – whichever applies.....	5		
6	Nebraska personal exemption credit (residents – enter line 18, Form 1040N).....	6		
7	Credit for tax paid to another state. Enter either line 19, Form 1040N; or line 12, Form 1041N.....	7		
8	Credit for the elderly or disabled (residents – enter line 20, Form 1040N) .....	8		
9	Nebraska child/dependent care nonrefundable credit (residents – enter line 23, Form 1040N) .....	9		
10	Credit for financial institution tax. Enter line 24, Form 1040N; or the financial institution tax credit portion of line 13, Form 1041N – whichever applies.....	10		
11	Employer credit for expenses incurred for TANF (ADC) recipients, line 25, Form 1040N; line 15, Form 1041N; or line 13, Form 1120N.....	11		
12	NE employer tax credit for employing convicted felons. Enter line 27, 1040N; line 16, Form 1041N; or line 17, Form 1120N.....	12		
13	School Readiness Tax Credit for providers. Enter line 28, 1040N; line 17, Form 1041N; or line 14, 1120N.....	13		
14	Family Caregiver Tax Credit Act, line 32, 1040N .....	14		
15	Tax after nonrefundable credits other than CDAA credit (line 5 minus the total of lines 6 through 14) (if the total is greater than line 5, see instructions) .....	15		
16	Nebraska Community Development Assistance Act credit claimed for 2025 (line 4 or line 15, whichever is less). Enter here and on line 21, Form 1040N; line 13, Form 1041N; line 15, Form 1120N; or line 12, Form 1120NF – whichever applies.....	16		
17	Amount to be carried forward to 2025 (line 4 minus line 16) .....	17		

**Part B — For Partners, S Corporation Shareholders, Certain Fiduciary Beneficiaries, and Members of LLCs Only**

18 If any of the credit is from a partnership, S corporation, fiduciary that distributes its income currently, or LLC, enter the following information in the space provided:

Name	Address	Nebraska ID Number	Federal ID Number	Share of Credit

TOTAL of your share of distributed credits (enter here and on line 3 above) .....

**Part C — For Partnerships, S Corporations, Certain Fiduciaries, and LLCs Only**

19 Distribution of Community Development Assistance Act credit to partners, shareholders, beneficiaries, and members of LLCs. Attach a schedule, if necessary, listing all the required information for each partner, shareholder, beneficiary, or member. Enter the following information in the space provided:

Name of each Partner, Shareholder, Beneficiary, or Member	Social Security Number or Federal ID Number	Percentage Share of Income or Ownership	Share of Credit
TOTALS		100%	

**Attach this form to the Nebraska income tax return, financial institution tax return, or premium tax return.**  
revenue.nebraska.gov, 800-742-7474 (NE and IA), 402-471-5729

## Instructions

**Who Must File.** Any eligible claimant must file the Nebraska Community Development Assistance Act Credit Computation, Form CDN, to claim a credit or distribute the credit to its owners.

**When and Where to File.** This computation must be completed and attached to the income or financial institution tax return filed with the Nebraska Department of Revenue (DOR) or with the premium tax return filed with the Nebraska Department of Insurance.

**Eligible Claimants.** The Community Development Assistance Act credit may be claimed by individuals or business firms that have been granted the tax credit by the Nebraska Department of Economic Development (DED). The credit is given for contributions to projects of community betterment organizations approved by the DED. Individuals, sole proprietors, corporations, partnerships, S corporations, fiduciaries, and limited liability companies (LLCs) conducting business activities may be eligible for the credit. This includes insurance companies paying the premium tax or financial institutions paying the financial institution tax.

For additional information on the Community Development Assistance Act credit, please contact the Nebraska Department of Economic Development, 245 Fallbrook Blvd, Suite 002, Lincoln, Nebraska 68521-4666. For more information go to [nebraska.gov](https://nebraska.gov). **Please do not contact DOR.**

**Fiscal Year Taxpayers.** Credit is to be claimed on this form for contributions made during the tax year that begins in 2025. The contribution made to the community betterment organization's approved program must qualify as a charitable contribution deduction on the individual's or business firm's 2025 federal income tax return, or be approved by DED.

**Amended Returns.** A Form CDN marked "Amended" must be attached to any amended income tax or financial institution tax return if the credit was claimed on an original return. If the amount of the carryover was changed, amended returns must be filed for all years affected by the change.

A 2025 Amended Nebraska Financial Institution Tax Return, Form 1120XNF, must be filed if:

- The financial institution's net financial income or amount of deposits for tax year 2025 are changed by a state or federal regulatory agency; or
- An error was made on the financial institution's original Nebraska Financial Institution Tax Return, Form 1120NF, for 2025.

The 2025 Form 1120XNF can only be filed after the financial institution has filed a Form 1120NF for tax year 2025.

Note: An amended return claiming a refund of tax previously paid must be filed within 90 days after the date the tax was due or paid, whichever date is later; or within 90 days after receiving notification of a change in the amount of net financial income or deposits from a state or federal regulatory agency.

**Records.** Records regarding contributions must be kept for at least three years after claiming a credit or using a carryover.

**Foreign Adversarial Company.** Indicate whether or not the taxpayer is a foreign adversarial company (FAC) or claiming credits from a business that is, or is owned in whole or part, by an FAC, as defined by [Neb. Rev. Stat. § 77-3,114](#). An FAC is ineligible to receive incentive benefits. Credits distributed from an FAC are ineligible for tax credit benefits. If the answer is No, continue with the remainder of the form. If the answer is Yes because the taxpayer is an FAC, do not complete the remainder of the form.

If the answer is Yes because the taxpayer is claiming credits from a business that is, or is owned in whole or in part, by an FAC, you may not claim any credits from the FAC. Only enter credits from entities that are not an FAC. Failing to answer will result in denial or delay in processing the credits claimed.

Foreign adversarial company means a company that:

- Is organized under the laws of a foreign adversary;
- Has its principal place of business within a foreign adversary;
- Is owned in whole or in part, operated, or controlled by the government of a foreign adversary; or
- Is a subsidiary or parent of any company that meets any of the above criteria.

## Instructions

Foreign adversaries as defined under 15 C.F.R. 791.4, as such regulation existed on April 1, 2025 are:

- The People's Republic of China, including the Hong Kong Special Administrative Region and the Macau Special Administrative Region (China);
- Republic of Cuba (Cuba);
- Islamic Republic of Iran (Iran);
- Democratic People's Republic of Korea (North Korea);
- Russian Federation (Russia); and
- Venezuelan politician Nicolás Maduro (Maduro Regime).

## Specific Instructions

**Part A.** All claimants must complete lines 1 through 4 of Part A. An individual, corporation, fiduciary that does not distribute its income currently, or an LLC that is taxed as a corporation, must also complete the remainder of Part A.

**Line 1.** Enter the amount of the tax credit approved by DED. If no credit was granted in 2025, but Form CDN is being completed to claim unused credit carried forward from 2020 through 2024, enter zero (-0-) on line 1. Complete lines 2 through 17 where applicable.

**Line 2.** Enter the amount, if any, from line 16 of your 2024 Form CDN, less any unused credit remaining from 2019. Partnerships, S corporations, fiduciaries that distribute income currently, and LLCs taxed as partnerships, must also distribute all credits currently, and therefore must enter zero (-0-).

**Line 15.** If the total of lines 6 through 14 is larger than the amount on line 5, enter zero on line 15.

**Line 17.** Subtract line 16 from line 4. Any unused credit may be carried forward for the next five years after the credit was first granted.

**Part B.** If you are a partner, shareholder, beneficiary, or member of an LLC, who was distributed any of the credit by a partnership, S corporation, fiduciary that distributes its income currently, or LLC, list: the name; address; Nebraska ID number; federal ID number; and your share of the credits from each entity which distributed this credit.

**Part C.** Each partnership, S corporation, fiduciary that distributes its income currently, or LLC taxed as a partnership must enter: the name; federal ID number or Social Security number; share of income or ownership; and share of the credit for each partner, shareholder, beneficiary, or member. The share of the credit is determined by multiplying the amount on line 4 by the percentage share of income or ownership of each partner, shareholder, beneficiary, or LLC member.